

Research Article

Increasing Employee Engagement through Quality of Internal Communication with a Hybrid Method in One of the Largest Trading Companies in Indonesia

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Abstract.

A study on employee engagement conducted by HR Exchange Network.com, sponsored by Workday, after more than a year of the pandemic, stated that there are many changes in work patterns, job opportunities and types of work that develop related to internal communication, employee motivation, organization relations, and industrial relations. This research aimed to determine the effect of hybrid internal communication and employee motivation on employee engagement, either directly or indirectly. The other purpose of this research was to see the effect of organization relations and industrial relations on employee engagement. This quantitative research involved 398 employees of PT XWZ as respondents, using SEM PLS as an instrument to test the hypothesis. The results indicated that the internal hybrid communication method has a positive effect on industrial relations (IR) and organization relations (OR). Employee motivation does not have a positive effect on industrial relationships and organizational relationships; however, OR and IR have a positive effect on employee engagement (EE). OR mediates the relationship between hybrid internal communication and EE while IR does not mediate the relationship between employee motivation and EE.

Keywords: hybrid internal communication, employee motivation, industrial relations, organization relations, employee engagement

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Published: 22 March 2024

Publishing services provided by
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Selection and Peer-review under the responsibility of the ICEMSIT Conference Committee.

1. Introduction

Employee engagement is a sign of a person's excitement for using all of their skills, which can inspire them to stay imaginative and creative for the benefit of the business.

The Theoretical Foundation of Industrial and Its Implications provides a wide definition of industrial relations [1]. The important thing to keep in mind is that traditional HRM and dysfunctional, dehumanizing capitalism were the roots of this science.

The fact in Indonesia is that when the ratification of the ILO (International Labour Organization) convention on freedom of association has not been signed, there is only one union, namely SPSI (*Serikat Pekerja Seluruh Indonesia*) while after the signing of

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several ILO ratifications, one of which is ILO number K87 on Freedom of Association and Protection of Rights to Organize through *Peraturan Presiden* No. 83 of 1998, more labour unions have been established in Indonesia.

Workers' perceptions of industrial relations are welfare and advocacy, while employers' perceptions are profit and productivity, according to global perceptions of industrial relations. The internal communication variable in the 2019 employee engagement survey at PT XYZ got a score of 4.1 out of 5.

Employee Motivation is an important factor that drives people to provide the best execution in achieving company goals. Intrinsic motivation is a type of motivation in which an individual is motivated by his own internal desires. While Extrinsic Motivation is a type of motivation in which an individual is motivated by external desires.

1.1. Problem identification

In the new normal era, it is crucial to identify ways to boost employee engagement, therefore it is vital to determine the most efficient strategy to ensure that internal communication, particularly management communication with labour unions, can remain harmonious. It is very interesting to observe and study how Industrial Relations Management develops in Indonesia. The laws and regulations governing it are bound by the type and volume of internal communication that must involve labour union officials.

1.2. Theoretical gap

This study develops and supports a number of hypotheses using various applications and methodologies of family theory, as written by Ag. Krisna Indah Marheni [2] in eight lessons for a happier marriage stated that a harmonious family includes the characteristics of good communication between family members, awareness among family members to respect and appreciate each other and the ability to solve problems positively and constructively.

1.3. Research objective

Choose the best stimulus and strategy through employee motivation and internal communication, but not limited to management and unions. Conducting analysis in an effort to improve the quality of the organization and work relations as well as efforts to increase employee engagement.

2. Research Method

2.1. Research model

The research model for this study combines the variables of hybrid internal communication, employee motivation, organization relations, industrial relations, and employee engagement as demonstrated through leadership and employee communication. Figure 1 illustrates the overall research model with 5 variables.

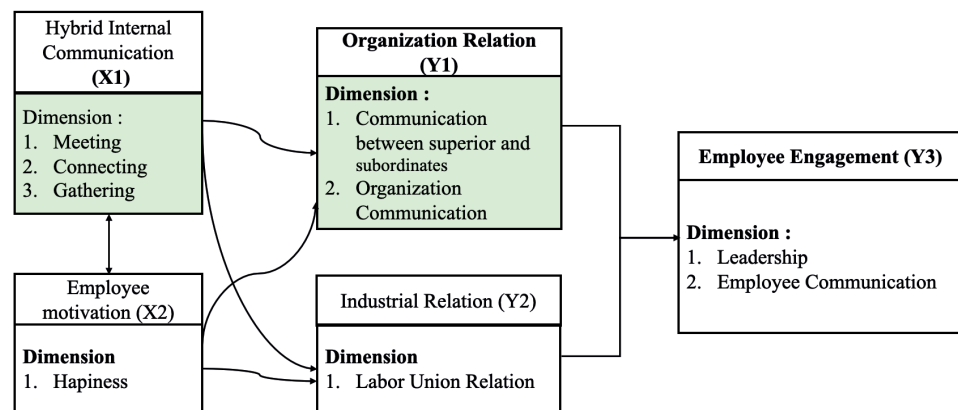


Figure 1: Research model.

2.2. Research design

This study employs a deductive research paradigm, which draws precise conclusions from analysis of data derived from surveys and primary sources larger than the case study. This study employs a quantitative approach, and the questionnaire is issued in two stages, the first of which tests the statements' validity with a sample of 30 respondents to decide whether or not to revise the questionnaire's questions. The real data collection takes place in the second step utilizing questions that have been tested with the intended target respondents, who are distinct from the trial respondents.

2.3. Unit of analysis/unit observation

The population for analysis is primarily focused on the unit of analysis, whereas the unit of observation is the unit from which data are collected to understand the unit of analysis. The unit of analysis does not necessarily have to be the same as the unit of observation, however they can be similar.

2.4. Scope of research

The focus of this research is on employee engagement variables at PT XYZ, specifically the hybrid internal communication, employee motivation, organizational relations and industrial relations variables related to internal communication management, unions, and employees which are included in the internal communication component.

2.5. Population and sampling design

Three units of analysis were used in this study, namely: Management, labour union and employee at PT XYZ.

TABLE 1: Target sample data.

Position	Grade	Target
Management	all	145
Labour Union Officials	all	103
Employee	4 up	150

Table 1 explain that all management and all labour unions, both those actively participating in the negotiations and those not actively participating, make up the target sample.

3. Results

3.1. Data collection result

In this study, the questionnaire distribution was done in two parts, the first of which was a pre-test with a sample of 30 respondents. A post-test is given to all PT XYZ workers as the second stage. In the second stage of distribution, 1,467 participants were gathered, including 145 management, 103 labour union officials, and 1,219 employees. The collected information that meets the criteria is 960 sheets for further data processing.

3.2. Structural Equation Model (SEM) analysis

Bagozzi & Fornell [3] in Ghazali & Fuad [4] reveal that “the structural equation model (SEM) is the second generation of multivariate analysis techniques that allow researchers to examine the relationship between complex variables both recursive and non-recursive to obtain comprehensive overview of the entire model. Figure 2 illustrates

SEM's processing of the magnitude of the effect of each variable measured on employee engagement.

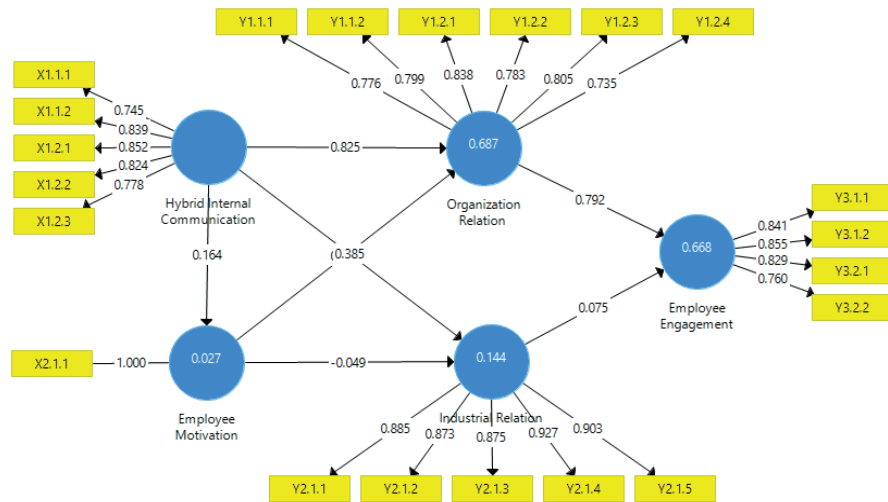


Figure 2: Framework model (path diagram).

3.3. Frequency test

The industrial relations variable is determined by the response of the management and labor union officials with participants reaching 100% of the target for filling out the questionnaire and it is valid. Paying attention to the 100% data sample, then an analysis is carried out using the frequency of testing with focuses on the employment relationship function at PT XYZ.

4. Discussion

Table 2 is a recap of the SEM processed conclusions which describe the influence between variables.

4.1. Frequency test

From the frequency test for Industrial Relations, the researcher found that in the new normal, the hybrid method of internal communication at PT XYZ has been running with a good comfort level above 75%, supported by the quality of informal

TABLE 2: Result and discussion.

Hypothesis	Original Sample (positive)	P Values < 0.005	Conclusion
Correlation of EM on OR	0.02	0.551	Employee Motivation has a positive correlation on Organization Relations, but has no significant effect on organization relations.
Correlation of HIC on EM	0.164	0.007	Hybrid Internal Communication has a positive correlation and significant effect on Employee Motivation
Correlation of HIC on IR	0.385	0	Hybrid Internal Communication has a positive correlation and significant effect on Industrial Relations
Correlation of HIC on OR	0.825	0	Hybrid Internal Communication has a positive correlation and significant effect on Organization Relations
Correlation and significant effect of OR on EM	0.792	0.0	Organization Relations has a positive correlation and significant effect on Employee Engagement
Correlation and significant effect of HIC on EE through Organization OR	0.653	0	Hybrid Internal Communication indirectly positive correlation and significant effects on Employee Engagement through Organization Relations

5. Conclusion

The following conclusions can be made based on research findings that hybrid internal communication, employee motivation, organizational relations have a positive effect on increasing employee engagement, while industrial relations have no effect on increasing employee engagement.

Acknowledgements

First of all, I would like to express my gratitude to Allah SWT who has given me health and guidance to complete this study. Further thanks I dedicate to my beloved husband, who has supported me mentally and allowed me to spend a year and a half of my studies. Thank you to my beloved children who have encouraged me to complete this study. I would like to thank my company, PT United Tractors Tbk. especially Mr. Edhie Sarwono.

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